

Name: _____

Date: _____

Algebra Pd: _____

Compound Interest HW

#1

Directions:

- For each word problem, please find the total amount at the end of the given time period.
- Be sure to write your compound interest equations and SHOW all SUBSTITUTION!
- Do NOT round until the end of the problem (and then round to the nearest cent/hundredth).

1. \$4,000 deposited into a bank with 5.6% annual interest rate; compounded annually for eight years	2. \$500 deposited into a bank with 2.8% annual interest rate; compounded semi-annually for ten years
3. \$100,000 deposited into a bank with 1.6% annual interest rate; compounded quarterly for five years	4. \$5,298 charged on a credit card with a 36% annual interest rate; compounded monthly for three years
5. \$650.45 deposited into a bank with 3.4% annual interest rate; compounded semi-annually for three and a half years	6. \$7,210 charged on a credit card with 25.46% annual interest rate; compounded annually for five years

7. Marjorie charges a \$96 pair of jeans on her credit card, which charges 24% annual interest and the interest is compounded quarterly. Marjorie says that this is financially responsible because her she will only pay interest on a quarter of the price of the jeans, which is \$24, four times a year. Do you agree with Marjorie? Explain.

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